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AGREEMENT

1. **THIS AGREEMENT** dated August 2, 2010 is by and between Federal-Mogul Lake City, hereinafter referred to as the "Employer" or "Company", and LOCAL LODGE NO. 650, of THE INTERNATIONAL BROTHERHOOD OF BOILERMAKERS, IRON SHIP BUILDERS, BLACKSMITHS, FORGERS, AND HELPERS, AFL-CIO, hereinafter referred to as the "Union", and this Agreement embodies the sole agreement between the aforementioned parties.
- 1B. If Federal-Mogul Lake City business operations are transferred to a successor company by sale, transfer or merger, such successor company shall assume the duties and obligations of this labor agreement according to law.
- 1C. Should any portion of this Agreement conflict with Federal, State or Municipal Law or any directives issued by the President of the United States or any authorized governmental agency, such portion of this Agreement shall become inoperative to the extent and for the period necessary to conform to the law or directive without prejudice to any other portion of this Agreement.

WITNESSETH

2. **WHEREAS**, a majority of the employees of the Company in the collective bargaining unit to be covered by the terms of this Agreement have designated the Union as the collective bargaining agent, and the Company has recognized the Union as the sole and exclusive bargaining agent for all employees in the unit in all matters pertaining to wages, hours, and working conditions; and
3. **WHEREAS**, the parties hereto desire to establish a standard of conditions and procedures under which employees shall work for the Company during the term of this Agreement and desire to regulate the mutual employment relations between the parties for the purpose of securing harmonious cooperation and the settling of all disputes, by peaceful means, that may arise in the employee-employer relationship;
4. **NOW THEREFORE**, in consideration of the mutual promises and agreement herein contained, the parties agree as follows:

ARTICLE I

PURPOSE, INTENT, AND ATTITUDE OF THE PARTIES

5. **Section 1. PURPOSE.** It is the intent and purpose of the parties hereto to set forth herein the entire Agreement covering rates of pay, wages, and hours of employment, to be observed in good faith between the parties hereto, and to provide procedures for the prompt and peaceful settlement of all grievances

which may arise between the Company and its employees or the Union, to the end that there shall be no interruption or impeding of the production process, work stoppages, strikes or any other interferences with production during the life of this Agreement.

6. **Section 2. INTENT.** The Company and the Union encourage the highest degree of friendly, cooperative relationships between their respective representatives at all levels and with and between all employees. The officers of the Company and Union realize that this goal depends on more than words in a labor agreement, that it depends primarily on attitudes between people in their respective organizations and at all levels of responsibility. They believe that proper attitudes must be based on full understanding of and regard for the respective rights and responsibilities of both the Company and the Union. They believe, also, that proper attitudes are of major importance in the plant where day-to-day operations and administration of this Agreement demand fairness and understanding.
7. **Section 3. ATTITUDE.** Attitudes can be encouraged best when it is made clear that Company and Union officials, whose duties involved negotiation of this Agreement, are sincerely concerned with the best interests and well-being of the business and all employees. By such arrangement, as expressed, the parties believe that they, as people of good will and sound purpose, may best protect private enterprise and its efficiency in the interest of all, as well as the legitimate interest of their respective organizations within the framework of democratic society in which regard for fact and fairness is essential.

ARTICLE II EFFECTIVE DATES AND TERMS

8. **Section 1. TERM OF AGREEMENT.** This Agreement shall commence as of August 2, 2010, and shall remain in force and effect through August 2, 2014, and from year to year thereafter unless changed or terminated in the manner hereinafter provided.
9. **Section 2. TERMINATION OF AGREEMENT.** Either party desiring to change or terminate this Agreement must notify the other in writing at least sixty (60) calendar days prior to August 2, 2010, or prior to August 2 of any year thereafter.
10. **Section 3. AMENDMENTS.** This Agreement shall be subject to amendment at any time by mutual consent of the parties hereto. Such amendments shall be reduced to writing, state the effective date of the amendment, be executed in the same manner as this agreement, and shall be issued in triplicate by certified mail, one copy going to the, Plant Manager, Federal-Mogul Lake City, Eighth & Doughty Streets, Lake City, Minnesota, 55041 and one copy to the President of

Lodge 650, 100 West Lyon Avenue, Lake City, Minnesota, 55041, and a copy to the International Representative of the International Brotherhood of Boilermakers, Iron Ship Builders, Blacksmiths, Forgers, and Helpers, AFL-CIO, 7992 Weckler Road, Sturgeon Bay, WI 54235. Such amendments shall be signed by the proper Company and Union officials having authority to negotiate such amendments.

ARTICLE III SCOPE OF AGREEMENT

11. **Section 1. RECOGNITION.** The Company recognizes the Union as the sole and exclusive bargaining representative for the purpose of collective bargaining with respect to wages, hours of employment, and other conditions of employment, for all of the Company's hourly paid production and maintenance employees, but excluding office and plant clerical employees, professional employees, research and development employees, engineering employees, technical employees, guards, and foremen and supervisory employees, as defined in the National Labor Relations Act, as amended.
12. **Section 2. MANAGEMENT RIGHTS.** It is understood and agreed that all the responsibilities, rights, powers, and authority, which the Company had prior to entering into this Agreement, are retained by the Company except as specifically limited by express language of this Agreement. The following functions listed in this Article are illustrations of the responsibilities, rights, power and authority retained by the Company: The management of the Company's business and direction of its employees including, but not limited to, the right to direct, plan and control all manufacturing operations and methods of production; the determination of the means of production or manufacturing; the direction of the working forces including, but not limited to, the right to direct and control all the operations or services to be performed in or at the plant; to schedule working hours; to hire, promote, demote, and transfer employees; to suspend, discipline or discharge employees for just cause; to relieve employees because of lack of work or for other legitimate reasons; and to introduce new and improved methods, materials, equipment or facilities are among the rights and responsibilities vested exclusively in the Company. It is understood, however, that the exercise of the aforesaid Management Rights shall not conflict with the express language of this Agreement.
13. **Section 3. UNION SECURITY.** All newly hired employees shall, during the continuance of this Agreement or any extension thereof, become and shall remain members of the Union in good standing immediately following the ninety (90) calendar day period from the effective date of this Agreement or the ninety (90) calendar day period from the date of their hiring, whichever is the later.

14. **Section 4. CHECK-OFF.** The Company will check-off monthly dues and initiation fees each as designated by the Secretary-Treasurer of the Union Lodge, as membership dues in the Union, on the basis of individually signed voluntary check-off authorization cards in forms provided by the Union. See Exhibit A. The Company will not deduct, in accordance with the "Voluntary Authorization for Deduction of Union Membership Dues" form, from employees who do not have sufficient earnings in their first full week's paycheck. This deduction will be made after the secretary-treasurer notifies the payroll department, which will be immediately before the next payroll processed where the employee has sufficient earnings to satisfy such deductions.
15. New check-off authorization cards other than those provided for by the paragraph above will be submitted to the Company through the Secretary-Treasurer of Lodge 650 at intervals no more frequent than once each month. On or before the last day of each month, the Union shall submit to the Company a summary list of cards transmitted each month.
16. Deductions on the basis of authorization cards submitted to the Company shall commence with respect to dues for the month in which the Company receives such authorization card or in which such card becomes effective. Dues for a given month shall be deducted from the first full pay period in the current month for that month's dues.
17. There shall be no accumulation of dues. When an employee's earnings are insufficient in any month to cover dues owing, no deductions shall be made. The Union will be notified of the reason for non-transmission of dues in case of layoff, discharge, resignation, leave of absence, sick leave, retirement, death, or insufficient earnings.
18. Unless the Company is otherwise notified, the only Union membership dues to be deducted for payment to the Union from the pay of the employee who has furnished an authorization card shall be the monthly dues. The Company will deduct initiation fees when notified by notation on the lists referred to above by the local Secretary-Treasurer. With respect to check-off authorization cards submitted directly to the Company, the Company will deduct initiation fees unless specifically requested not to do so by the local Secretary-Treasurer of the Union after such check-off authorization cards have become effective. The local Secretary-Treasurer of the Union shall be provided with a list of those employees for whom initiation fees have been deducted under this paragraph.
19. **Section 5. INDEMNITY.** The Union shall indemnify and save the Company harmless against any and all claims, demands, suits, or other forms of liability that shall arise out of, or by reasons of, action taken or not taken by the Company for the purposes of complying with any of the check-off provisions of this Agreement.

20. Section 6. NO STRIKE-NO LOCKOUT.

20A. NO STRIKE. During the term of this Agreement, the grievance and arbitration procedure (Article V) and the administrative and judicial remedies and procedures provided by law shall be the sole and exclusive means of settling any dispute between the employees and/or the Union and/or the Company. Accordingly, neither the Union nor the employees will instigate, promote, sponsor, engage in or condone any strike, slowdown, picketing, curtailment of work, restriction of production or intentional interference with operations over any dispute involving the interpretation or application of this Agreement or over any other dispute. The Company shall have the right to discharge or otherwise discipline any employee who violates the provisions of this section, provided that employees shall have recourse to the grievance procedure. In the event that any employee or group of employees covered by this Agreement shall, during its term, participate or engage in any of the activities herein prohibited, the Union agrees, immediately upon being notified by the Company, to direct such employee or group of employees to cease such activity and resume work at once.

20B. NO LOCKOUTS. During the term of this Agreement, the Company agrees that it will not institute a lockout because of any labor dispute with the Union. A layoff or shutdown for business reasons shall not be construed as a lockout.

21. Section 8. SHOP RULES. Working rules governing behavior of employees and penalties for violation thereof are made a part of this Agreement as shown under Exhibit B.

22. Section 9. APPRENTICESHIP. The program will conform to the guidelines of the State of Minnesota Apprenticeship Program. The Company and the Union will agree upon specific criteria as noted within the apprenticeship standard. In the event the Union and Company are unable to agree the matter will be submitted to arbitration in accordance with an expedited arbitration process. The cost of the arbitrator will be split evenly between the Union and the Company.

**ARTICLE IV
UNION REPRESENTATIVES AND GRIEVANCE COMMITTEE**

23. Section 1. ACCESS TO THE PLANT. Representatives of the Union shall be permitted access to the plant upon 24 hours advance notice to the appropriate personnel (Human Resources Manager or his designee). For good cause the Company may delay such access for up to 48 additional hours provided, however, their visits will not interfere with or interrupt production.

24. **Section 2. NEGOTIATING / GRIEVANCE COMMITTEE.** The Negotiating Committee shall be limited to a minimum of one (1) member per division, the Union President, and one (1) elected officer appointed by the Union President. The selection of such members is left to the discretion of the Union with the understanding that each division will be represented and that no more than two (2) members excluding the Union President, of this committee shall represent any one (1) division. The Company recognizes the Union's right to designate a Negotiating / Grievance Committee or Union President or his designee to handle all grievances and further recognizes its right to handle these grievances and conduct this business for the Union. Union members, which may or may not include the grievant. The Union may call additional witnesses to testify relevant to the specific grievance. In the third and fourth step of the grievance procedure, the International Representative of the Union may be present.
25. **Section 3. COMPANY REPRESENTATIVES.** The Company shall designate a representative or representatives of the Company to meet with the Union Grievance Committee on matters pertaining to the administration of the provisions of this Agreement.
26. **Section 4. UNION REPRESENTATIVES.** On matters other than those currently active in the grievance procedure, the parties may mutually agree to the presence of a representative of the International Union to assist the Union Shop Committee.

ARTICLE V ADJUSTMENT OF GRIEVANCES

27. **Section 1. PURPOSE.** The Company and the Union agree that the grievance procedure provided herein shall be the sole and exclusive means of resolving grievances arising under the terms of this Agreement. For the purpose of this Agreement, a grievance shall be defined as any dispute or difference between the Company and an employee or a group of employees, or between the Company and the Union with respect to the interpretation or application of the terms and provisions of this Agreement.
- 27A. Recognizing that grievances should be raised and settled promptly, grievances must be raised and processed within the specified time limits or be deemed not to exist. The specified time limits may be extended by mutual agreement.
28. **Section 2. PROCEDURE.** Grievances shall be handled in accordance with the following procedure:

- 28A. Step One.** By verbal discussion between the aggrieved employee and/or a representative of a group of aggrieved employees with or without their Union steward, and the supervisor, within five (5) working days from the date of the event giving rise to the grievance, or within five (5) working days from the date the matter should have become known to the employee. The supervisor shall give his answer within two (2) working days thereafter.
- 28B. Step Two.** If not acceptable, the superintendent/focus factory manager shall be verbally notified by the employee with the steward within five (5) working days from the date of the supervisor's answer in the first step and shall respond two (2) working days thereafter.
- 28C. Step Three.** If the grievance is not settled in the second step and the Union wishes to appeal it, a member of the Union Committee shall reduce the grievance to writing, stating the issue to be resolved and the settlement requested and present same to the Human Resources Manager or his designee within five (5) working days from the date of the superintendent's answer in the second step. A meeting shall be arranged between the Union Committee and the Human Resources Manager within five (5) working days.
- 28D. Step Four.** If the Union Grievance Committee (with the President) and the plant management fail to agree, then the case shall be submitted within five (5) working days for adjustment or settlement to a committee composed of the President of Lodge 650, the International Representative or his designee, the Union Grievance Committee, the plant management, and a representative of the Company's Human Resources Department or his designee. This committee shall meet within one (1) week. In the event either party is unable to be represented within the time agreed upon, an extension by the parties hereto may be made.
- 29. Section 3. ARBITRATION.** Grievances not satisfactorily settled in the fourth step of the Grievance Procedure may be submitted to arbitration by the Union notifying the Company, within thirty (30) calendar days after receipt by the Union of the Company's answer in the fourth step, of the Union's desire to refer the matter to arbitration, in accordance with the procedure outlined in Section 5 of this Article. If the Union desires to submit the matter of termination of a union employee to arbitration, the grievance will be submitted to expedited arbitration.
- 30. Section 4. TIME LIMIT.** Time limits identified above for filing and/or responding to grievances may be extended by mutual agreement of the Union and the Company.
- 31. Section 5. SELECTION OF ARBITRATOR.** If the Union notifies the Company of its desire to refer a grievance to arbitration in accordance with Section 4 of the Grievance Procedure, the parties will jointly request, in writing, that the Federal

Mediation and Conciliation Service upon receipt thereof submit a list of seven (7) arbitrators. The Company and the Union shall alternately strike names and the one (1) remaining person on the list shall be designated as the impartial arbitrator. The first strike shall be determined by lot. A second list of arbitrators may be requested from the Federal Mediation and Conciliation Service if either side feels the first list is unacceptable. From all the names submitted, however, each party shall strike two (2) names and then will strike alternately as outlined above.

- 31A.** The arbitrator shall be bound by the terms and provisions of this Agreement and shall have authority to consider only a grievance presenting an arbitrable issue under this Agreement. The arbitrator shall have no authority to add to, subtract from, modify or amend any provisions of this Agreement. A decision of the arbitrator on any grievance shall be final and binding on the individual, the Company and the Union. The expenses of the arbitrator shall be borne by the losing party. Each party shall bear the cost of the preparation and presentation of its own case.
- 32. Section 6. GRIEVANCE ANSWERS.** All grievance answers will be submitted in writing starting with step two to the Chairman of the Union committee.
- 33. Section 7. BACK PAY.** Upon settlement of a grievance, if back pay is involved, the employee will receive the back pay by the second pay period following the settlement. Such retroactivity shall be limited to thirty (30) calendar days prior to the actual date of the grievance submitted in step one.

ARTICLE VI SENIORITY

34. Section 1. DIVISION SENIORITY

34A. Division seniority shall be equal to plant seniority. A seniority list for the plant and for each of the following named divisions shall be furnished to the Union:

1. Aluminum Foundry
2. Iron Foundry
3. Machine Shop
4. Maintenance (Manufacturing Services)
5. Inspection (Quality Services)
6. FTL

The Company and the Union shall agree upon such lists and the seniority list for each division shall be bulletined in a proper place accessible to employees in that division. Seniority lists shall be revised each six (6) months.

34B. LAYOFF. (I) When it becomes necessary to reduce employees from any Division (other than qualified/trades jobs), the following procedures will be followed.

1. A layoff/shutdown of 5 consecutive days or less:
Affected employees within the division will be laid off. Work centers required to work during a layoff/shutdown will be filled by work center rights and second by the most senior qualified within the division.
2. A layoff of more than 5 consecutive days:
The Company will provide five (5) days notice and the employee(s) with the least division seniority in the affected job classification will be removed from

that classification. Said employee(s) removed shall then displace the least senior employee in the Division. The least senior employee in the Division will, in turn, be laid off. Employee(s) reduced from a Qualified Job/Apprenticeship Program will be given the choice of returning to the division from which they bid, providing that they are senior and qualified to do the work available, or to be laid off from the plant. If the employee(s) chooses to return to the Division from which they bid and they are subsequently laid off from that Division their recall rights are from that Division only. If the employee(s) chooses to be laid off from the plant directly out of the Qualified Job/Apprenticeship Program their recall rights will be only to the Qualified Job/Apprenticeship Program. Employees hired directly into the Qualified Job/Apprenticeship Program will have no choice but to be laid off out of the Qualified Job /Apprenticeship Program.

Qualified Jobs shall mean ALL Divisional Leadmen, Journeymen, Apprentices, Team Leaders and Met Lab Technicians and Assistant.

All Divisional Leadmen, Team Leaders and Met Lab Technician Assistants will be laid off in order of seniority in the event of a layoff.

- 34C. DISPLACEMENT.** Employee laid off from a division shall have the right only at the time of the layoff to displace the employee with the least plant-wide seniority. Employees holding qualified jobs will be bypassed for purposes of the displacement provision. Qualified jobs shall mean: all lead person, journeymen, apprentices, team leaders, and met lab tech and assistant. The laid off employee has ten (10) working days to demonstrate the ability and qualifications to perform the job without further training beyond ten (10) working days. An employee who displaces an employee in another division will carry over his division seniority to the other division. Any employee who exercises his right to displace another employee in any other division will be restricted from bidding for any job for a period of three (3) months unless otherwise agreed to by the Company and the Union. An employee who exercises his right to displace another employee in another division will be recalled to the job or a job he had previously held in the prior division in the event there is a recall in that division unless said employee had previously exercised his bidding rights within the new division. In the event management determines the skill/ability of said employee is not sufficient for him to assume the position, the Company will provide the Union with specific written notice (with explanation) within two (2) days of the decision. The Union shall have the right to utilize Article V.

For example, if the least senior five employees are laid off from the cast iron foundry, each employee would have the right (in order of seniority starting with the most senior) to displace one employee within the group of least senior five employees in the plant other than employees per the above language and in the FTL division.

34D. PREFERENTIAL HIRING. An employee laid off from a division who has not exercised his right to displace any other employee in any other division, as outlined above, and who still retains recall rights, will also have preferential hiring rights. Thereafter, if any job becomes open in any division, then the most senior employee laid off from any other division shall have the right to be hired into the new division prior to the Company hiring new employees. Any employee who exercises his preferential hiring rights shall retain his recall rights to his old job in his old division. Any employee who exercises his preferential hiring rights shall transfer his plant seniority into the new division. Finally, any employee who exercises his preferential hiring rights will be ineligible to bid for a period of eighteen (18) months.

34E. RECALL. Whenever job vacancies occur, and prior to posting a job, any employee working in the division who had been displaced from the job will be automatically recalled to the job, provided that said employee had not exercised his right to bid into any other job. Any employee who had exercised his rights to displace the least senior employee in any other division will be automatically recalled provided the employee had not exercised his bidding rights. Employees on layoff with the greatest plant seniority within the division will be first recalled.

34F. TEMPORARY ASSIGNMENT. Hourly employees may exercise seniority to obtain shift preference when temporarily assigned to a job. This shift selection right may not be exercised by employees who are temporarily assigned to jobs which are scheduled to last for one week or less.

34G. WORK GROUP DOWN MANNING PROCEDURE. In the event it becomes necessary to reduce the number of employees in a work group for an extended period of time (more than two weeks) the following procedure will be followed:

Any temporarily assigned employees (floaters) will be the first removed from the work group.

Further reductions from the work group will be made on a least senior employee first basis. Employees so removed will be temporarily assigned to available work. Such temporary assignments will be made on a seniority preference basis, providing that qualifications are equal.

Employees who remain in the work group following the down manning will remain assigned in their normal position providing that the position has not been eliminated. Employees remaining in the work group who do not have a specific assignment as a result of their position being eliminated will be allowed to fill open positions on a seniority preference basis.

Employees who have been displaced will be recalled into the work group on a most senior first basis. As the work group is upmanned, employees

will be reassigned to the same position they held prior to the down manning wherever possible.

The above procedure is not applicable in layoff situations for which a procedure is defined by the labor agreement.

- 34H. ELIMINATION OF A DIVISION OR TRANSFER OF PRODUCT WHICH ELIMINATES JOBS.** If a Division is eliminated or work is transferred to another Federal-Mogul facility, employees of the affected Division shall have the right only at the time of the elimination or work transfer to displace the employee with the least plant-wide seniority. The employee will be allowed a ninety-(90) day training period. If said employee is disqualified, the employee will be laid off.
- 35. Section 2. PROBATIONARY PERIOD.** New employees hired by the Company after the date of this agreement shall be classified as probationary employees for a period of ninety (90) calendar days from the date of employment, and during such probationary period seniority rights shall not apply and such employees may be laid off or discharged by the Company for any reason without recourse. Employees will be eligible for benefits when they have completed their probationary period. Rehired employees, those who had worked at the Company before, will be probationary employees for thirty (30) working days. When the probationary period has passed, seniority shall date from an employee's last date of hire or rehire.
- 35A.** All new job openings and/or vacancies (excluding job openings or vacancies created by layoff or recall or assignment to light duty) will be posted on bulletin boards on Thursday and removed on the following Monday. The senior employee whose name remains on the bid sheet at the end of the posting period must accept the job if selected. Downgrades with respect to the applicable pay rate will be allowed. The Company will not be required to recognize the bid of employees with less than eighteen (18) months seniority. Postings, which will not result in an addition to the division, will be made within the division whenever job vacancies occur and will be considered only for that job vacancy. Primary job assignment or work center within the job classification will be defined on the posting. During this period, any employee in the division may indicate his interest by signing the posting. Postings which will result in an addition to the division will be made plant wide. During this period any employee in the plant may indicate his interest by signing the postings.
- 35B.** The following positions will be filled based upon qualifications as defined in this paragraph rather than based upon seniority: All Divisional Leadmen, Journeyman, Apprentices, Team Leaders, and Met Lab Technician and Assistant. Qualified, in regard to those jobs for which qualifications prevail, shall mean having previously successfully performed the specific job or closely similar work or having the skill and ability to perform the job through formal education. The job description requirements shall be used to identify qualifications. In the

apprenticeship program there shall be no bidding restrictions. If they are unsuccessful, it will be considered an unsuccessful bid. All internal selections to qualified jobs excluding the apprentice jobs will be determined by a joint union and management committee to be comprised of two union members and three members of management.

35C. Employees who submit a bid for a job will be selected as follows:

1. When more than one (1) employee bids for a non-qualified opening, seniority shall prevail. For those jobs listed as qualified jobs, when more than one (1) employee who is qualified bids for the opening, seniority shall prevail.
2. In the event there are no bidders for a non-qualified or qualified job, the vacancy may be filled by a new hire. In the event there are no qualified bidders for the qualified jobs of SPC Technician and Gage Room Technician the most capable senior bidder must take the job.

35D. In addition to the above and prior to implementing step #2 above, when division openings occur the Company will post plant-wide as outlined above, and those employees who have eighteen (18) months or more seniority will be allowed to bid consistent with step #1 above. In such a case, it is understood that an employee who is the successful bidder to another division will transfer his plant-wide seniority to the new division.

35E. An employee who bids for and is transferred to a posted job and who requires training in the new job shall not be eligible to apply for another posted job for a minimum period of eighteen (18) months, unless said employee is displaced to another shift because of a job bidder exercising his shift preference, in which case said employee will be restricted from bidding for another job only for one (1) month. An employee who bids for and is transferred to a posted job and who previously performed the job and who requires no training in the new job will not be eligible to apply for another posted job for a minimum period of nine (9) months, unless the move has been mutually agreed to by both the Company and the Union, or unless said employee was displaced to another shift because of a job bidder exercising his shift preference, as described above, in which case the employee will not be restricted from bidding for another job. An employee who bids for and is transferred to a posted job within the same job classification will not be eligible to apply for another posted job for a minimum period of one (1) month. An employee who is displaced from his job into another job in the same division will be allowed to submit a job bid at any time. The Company will transfer the successful bidder within thirty (30) days after his selection unless a legitimate business reason prevents making the transfer within thirty (30) days. In this event, the Company will notify the employee in writing, with copy to the Union, as to the reason for the delay and as to the anticipated date of the transfer. Such written notifications shall be provided on a weekly basis until the transfer has

been made, but not to exceed an additional sixty (60) days, at which time the Union employee will be moved or paid the higher rate of the two (2) jobs.

- 35F.** When an employee bids for and is accepted on another job, he shall be placed on probation on this job for a maximum of three (3) months during which time he shall show continual progress. If during this period the Company disqualifies him, this shall not be deemed a successful bid. Medical disqualifications are to be considered as a Company disqualification, for bidding purposes, and must be supported by a doctor's slip.

An employee going to a new job (different job) through a posting has a three-month probationary period per paragraph 35F of the contract. If the employee is disqualified during this probationary period he shall be removed from the job.

When an employee is removed from a job per the above, he will be considered as having assigned rights to the job to which he was assigned just prior to moving to the new job. However, the employee may only return to the previous job if there is an opening. An opening would be a vacancy, or a spot being held by a temporarily assigned employee. If the previous job is filled entirely by posted (permanently assigned) employees there will be no opening and the "removed" employee will be assigned to any available work until an opening does occur or until he posts to another job. Even if the posted (permanently assigned) employees in the "removed" employee's old job are less senior than the "removed" employee, they may not be bumped from their assigned job. The company agrees to post all jobs awarded no later than Thursday after job selections have been made.

- 35G.** An employee who is the successful bidder on a job shall receive the applicable pay rate consistent with Article VIII below. If an employee is temporarily transferred to another job assignment, the company has the ability to backfill the employee position. An employee moved to a temporary assignment will receive the higher of the two rates of pay. The length of the backfill will not exceed 10 working days and the employee will have rights and responsibilities to overtime in their home (permanently assigned) work center.

- 35H.** An employee who exercises his seniority to change shifts at any time other than at the time of bidding shall be restricted from changing shifts by the same method for a minimum of six (6) months.

- 36. Section 3. NON-DISCRIMINATION.** In the administration of this agreement, neither the Company nor the Union shall discriminate against any employee because of that employee's race, color, sex, religion, national origin, age, or against qualified individuals with a disability. The use of the masculine gender throughout this agreement shall include the feminine.

- 36A. INTERPRETATION.** This paragraph shall be interpreted in accordance with applicable federal and state law.
- 36B. REASONABLE ACCOMMODATION.** In the administration of this Agreement, the Company and the Union will provide reasonable accommodations to qualified employees with a disability and to employees based upon their religious tenets. The need for and extent of such accommodations shall be determined by the Company in accordance with its interpretation of the requirements of the Americans with Disabilities Act and Title VII of the Civil Rights Act of 1964, even if such accommodations may be in conflict with another provision of this agreement.
- 36C. REMEDY.** An arbitrator hearing a grievance that alleges a violation of the Paragraph is authorized to award only reinstatement and/or back pay to a prevailing grievant and has no authority to award compensatory, punitive or any monetary damages other than back pay.
- 36D. WAIVER OF CONTRACTUAL RIGHTS.** If an employee claiming a violation of this paragraph elects to proceed to an administrative agency or court during the pendency of the grievance or at any time prior to the issuance of the written opinion and award of an arbitrator, the grievance will be considered to have been withdrawn.
- 37. Section 4. CONTINUOUS SERVICE.** Plant seniority shall be measured by an employee's continuous service and shall date from:
- 37A.** The date of first employment in the plant.
- 37B.** The subsequent date of employment following a break in continuous service whichever of the above two (2) dates is the later.
- 38. Section 5. CONTINUOUS SERVICE BROKEN.** There shall be no deduction from continuous service for any time lost which does not constitute a break in continuous service. An employee's continuous service is broken by:
- 38A.** Quit or discharge for just cause.
- 38B.** Absence due to layoff which continues for more than twenty-four (24) months.
- 38C.** Absence due to an approved medical leave of absence which continues for more than twenty-four (24) months or an industrial leave of absence which continues for more than twenty-four (24) months provided, however, that when the employee's doctor confirms in writing that the employee will never return to employment with the Company, then said employee's continuous service will be broken as of the date of said doctor's letter. Upon return, they shall be reinstated

according to their seniority, at work generally similar to that which they did last prior to their leaving at the wage rate existing in the plant at the time of their return.

- 38D. Engaging in other work while on leave of absence, except where special permission is requested and obtained.
- 38E. Failing to report for work within five (5) days after receiving a certified letter to return to work.
- 38F. Failing to notify the Company regarding his intent to return within forty-eight (48) hours after receipt of notice to return.
- 38G. Absence from work for three (3) consecutive working days without notifying the Company and without a justifiable reason for not notifying the Company.
- 38H. Retirement pursuant to the terms of the Company pension plan.

39. Section 6. SUSPENSION AND DISCHARGE.

- 39A. The Company shall give the employee written notice of his discharge and the reason thereof at the time of his dismissal. The Company shall not discharge any non-probationary employee without just cause. When management discharges an employee, the Union President or his designee shall be immediately advised in writing of the reason for discharge.
 - 39B. Any employee who reports for work under the influence of alcohol or drugs or is involved in an accident requiring medical attention beyond first aid shall be subject to Shop Rule 21 or Shop Rule 35. A Union Shop Steward or Committeeman shall be notified at the time any action is taken under this provision. Such employee shall be required to submit to an examination and/or test by a physician or clinic to ascertain the presence of alcohol or drugs upon good faith belief by the Company that the employee may be under the influence of drugs or alcohol. Failure on the employee's part to submit to any such test will result in the employee's discharge.
 - 39C. Any employee who believes his discharge is unjust may request an immediate hearing to be held within twenty-four (24) hours (not including Saturdays, Sundays, and holidays) after discharge in the manner providing for adjustment of grievances under Article V; and such grievance may be entered in Step Three of the grievance procedure. Only such appeals that are presented to the Company in writing within seventy-two (72) hours after discharge will be considered.
- 40. Section 7. PREFERRED SENIORITY.** Only for the purpose of layoff from the plant, the President of Lodge #650, the Chief Steward, and members of the Bargaining Committee shall be the last to be laid off and the first to be recalled, provided they have at least one (1) year of total service with the Company.

Further, the Union President and the Chief Steward will be assigned to the day shift, within the classification, while officially serving in that capacity.

ARTICLE VII LEAVES OF ABSENCE

- 41. Section 1. MEDICAL:** Medical leaves of absence must be approved by the company's third party administrator or approved under FMLA. Notice should be given to the Company of the employee's condition and expected return to work date at least once every two weeks. The employee must notify Human Resources in advance of his or her desire to return to work and present a release from his or her doctor.
- 41A. INDUSTRIAL:** Industrial leave of absence shall be treated in accordance with the Company's workers' compensation program.
- 41B. FAMILY MEDICAL LEAVE ACT:** The Company will administer the FMLA according to State and Federal laws with the understanding that an employee will not be required to substitute a paid leave for an unpaid leave.
- 42. Section 2. RETURN OF EMPLOYEE AFTER ILLNESS.** An employee returning to work after an extended illness who was on a medical or industrial leave of absence as provided above shall be entitled to return to work to his regular job; provided it has been certified that he is able to perform work by a registered physician, and is able to perform the work, provided however, an employee returning from an absence of three (3) or more days must give reasonable advance notice to the **Human Resources** of such return.
- 43. Section 3. LEAVES FOR EMPLOYEES PROMOTED.** Employees promoted to non-bargaining unit positions shall be given a six (6) month trial period while continuing to accumulate their seniority.
- 44. Section 4. MILITARY LEAVES.** Employees who are in Armed Forces of the United States, or who enter hereinafter, shall be entitled to all rights including reinstatement in accord with applicable Federal law. The Company will pay the difference between service pay (excluding military dependent pay) and the applicable pay rate excluding premiums for not more than two (2) weeks of military reserve leave or civil disturbance or emergency call-up per year. For purposes of this paragraph, a week is defined as five (5) eight (8) hour days, forty (40) hours maximum.
- 45. Section 5. PHYSICALLY OR MENTALLY HANDICAPPED EMPLOYEES.** Any employee who has become physically or mentally handicapped by reason of advanced age or other infirmities and who is unable to perform his usual duties in

the usual manner may be retired or retained on the payroll at a rate of pay agreed upon by the Company, the employee involved, and the Union. Such action shall not be construed as a violation of the terms and provisions of this Agreement.

46. **Section 6. UNION LEAVES.** Employees elected or appointed to full-time positions in the International Union which take them from their employment with the Company shall, upon written request to the Company, receive leaves of absence for the duration of the existing collective bargaining agreement. Upon return, they shall be reemployed according to their seniority, at the time of such election or appointment, at work generally similar to that which they did last prior to their leaving at the wage rate existing in the plant at the time of their return.

ARTICLE VIII WAGE RATES

47. **Section 1. WAGE STRUCTURE.** Employees shall be paid in accordance with the hourly rates set forth in the plant wage structure in Exhibit C, which shall be attached to all signed copies of this contract and posted on Company bulletin boards.
48. **Section 2. WAGES. Effective:**
- | | | |
|----------------|---------|---------------|
| August 2, 2010 | Year 1: | Wage Freeze |
| August 1, 2011 | Year 2: | Wage Freeze |
| July 30, 2012 | Year 3: | 1.4% Increase |
| July 29, 2013 | Year 4: | 1.5% Increase |
49. **Section 3. STARTING RATE.** The starting rate for new hires shall be four dollars (\$4.00) less than the pay rate of the classification they are hired or subsequently assigned. Said new employees shall receive a \$.25 increase every three (3) months until they reach three dollars (\$3.00) below the applicable pay rate. This paragraph does not apply to skilled trades positions or employees on the roster or laid off with recall rights at the time of ratification. Employees hired after August 2, 2010 will be eligible for no more than 4 weeks of vacation per vacation year and no shift premium.

ARTICLE IX HOURS, OVERTIME, AND HOLIDAYS

50. **Section 1. WORK DAY AND WORKWEEK**
- 50A. The normal workweek shall be forty (40) hours per week consisting of five (5) days of eight (8) hours, Monday through Friday.

- 50B.** The Company may establish work shifts as becomes necessary, and will provide reasonable notice whenever possible. Reasonable notice will be construed to mean that an employee will be required to change shifts no sooner than the beginning of the second work week that occurs after it has been determined the employee will change shifts.
- 50C.** This shall not be construed as a guarantee of an eight (8) hour day or forty (40) hours per week.
- 50D.** In establishing a six (6) or seven (7) day operation the Company agrees that it will not implement such a schedule solely for the purpose of avoiding overtime, but that such decision will be dictated by the nature of the operation or because of product demand. It is further agreed that the Company and the Union shall meet to discuss shift schedules to maintain such continuous operations. Following such meeting, the Company shall have the right to implement shift schedules for a continuous operation.
- 50E.** The Company will not place any or all of the Maintenance Division on a continuous seven (7) day work schedule at straight time. A continuous operation is an operation which, because of its nature or because of product demand, functions through 21 work turns seven (7) days a week. It may be manned on a 21-turn basis, or it may be manned on less than a 21-turn basis. The most usual application of the continuous operation utilizes four (4) shifts of employees functioning in the same operation.
- 50F.** The Company will guarantee that employees will not be required to work overtime two Sundays in a row. This means that an employee will not be required to work more than thirteen (13) days in a row. The current "one in five weekends off" still remains in effect also.
- 50G.** The company agrees that employees who work a scheduled work shift on Saturday and/or Sunday for four or more consecutive weekends will be not be required by the company to work on the weekend following the four or more consecutive weekends worked.
- 50H.** This policy is based upon ten (10) absentee points. Once an employee reaches or exceeds ten (10) absentee points within a rolling twelve- (12) month period, a three- (3) day review process of their records will take place. During this three (3) day review period, the employee will be responsible for producing documentation explaining any mitigating circumstances, such as a leave of absence approved by the company or other contract language. If the company finds the information mitigating, points may be adjusted. If the points are not adjusted, the employee will be terminated. After accumulation of six (6) and eight (8) points, the company will meet with the employee and steward to discuss his/her points.

- One (1) point per occasion of absence will be assessed for each absence from scheduled work greater than 4 hours. One-half (1/2) point will be assessed for each absence from scheduled work four (4) hours or less.
- Points will not be assessed for all absences. Exceptions will include absences excused by contract (Section 52A) or law.
- Consecutive days of absence, due to an employee's legitimate illness, will be assessed one point, provided the employee submits documentation substantiating the need for the absence. The doctor's slip must be presented upon return to work. This exception is limited to the first five (5) occurrences of up to five (5) documented scheduled work days per calendar year.
- Any employee with accrued negative points will be allowed to use them until they are gone.
- All employees will be allowed to call in their vacation up to three times per contract year (August 2 - August 1) without refusal and will not be assessed any points.

51. Section 2. THIRTY-TWO HOUR WORKWEEK. The Company may establish a thirty-two (32) hour workweek schedule for a maximum of four (4) continuous weeks because of reduced orders in order to maintain maximum employment. The Company will consult with the Union Committee in regard to the above. The Company and the Union Committee can extend the period beyond four (4) weeks by mutual agreement. It is the intent that such mutual agreement shall not be unreasonably withheld. Under this Section, full-time medical benefits will remain in effect while on the thirty-two (32) hour workweek schedule. Employees will be credited actual hours worked for other benefits outlined in the contract.

52. Section 3. OVERTIME.

52A. Overtime at one and one-half (1-1/2) times the average hourly earnings for workers shall be paid for all hours worked in excess of forty (40) in any workweek;

1. The following occurrences will be counted towards the forty (40) hour requirement:
 - fire/ambulance calls and training
 - excused funeral leave
 - military leave
 - holiday
 - jury duty
 - FMLA
 - lack of work
 - blood donation
 - union business
 - vacation

52B. Overtime at double the average hourly earnings workers shall be paid for:

1. All hours worked on Sunday except where Sunday is part of an assigned work week in a continuous (seven [7] day) operation and except as provided in Section 4.
 2. All hours worked on a holiday, in addition to which eligible employees shall receive regular holiday pay.
- 52C.** It is agreed that there shall be no duplication or pyramiding of overtime payments payable under any of the terms or provisions of this Agreement.
- 52D.** The regular work shift will consist of eight (8) hours. For purposes of this section, there will be no minimum number of hours required to constitute a work shift. When determining whether to work an extended overtime shift, the type of job, the risk of injury, and the reasons for continuing the job are to be weighed. There will be a minimum of seven (7) hours between shifts for safety reasons.
- 52E.** The Company agrees not to schedule mandatory direct production or direct production support work on a paid holiday. However, the Company reserves the right to approach the Union in the event of a documented customer emergency for the purpose of making an exception to this provision.
- 53. Section 4. OVERTIME WHEN EMPLOYEE ABSENT.**
- 53A.** The Union agrees that employees who are absent without excuse in the middle of the normal week pattern shall be paid overtime on the basis of time and one-half over forty (40) hours in one (1) week.
- 53B.** An excused absence slip will be given for the following: funerals excused by contract, Union business, weddings in the immediate family (parents, siblings, children, and step thereof). Any other absence must be approved by Human Resources to be deemed an excused absence.
- 54. Section 5. OVERTIME DISTRIBUTION.** A record will be kept of the overtime work of all employees, and employees will be called for overtime with the object of distributing such work equally, as far as practicable, consistent with the class of work required.
- 54A.** Overtime scheduling will remain consistent with the agreed upon scheduling procedures within each division/department. Such overtime procedures are subject to change only upon mutual agreement between the company and union. During temporary assignment situations, overtime rights and obligations revert back to the employees assigned job.

In the event an open overtime shift cannot be filled with an employee from the same shift, employees assigned to the work center on other shifts will be allowed to move into the open shift.

55. **Section 6. NOTIFICATION WHEN UNABLE TO REPORT FOR WORK.** Any employee unable to report for work shall notify, or shall have a person representing him notify, the Company before the start of the shift. Failure to do so will subject the employee to the application of Shop Rule 34. An employee returning from an absence must give reasonable advance notice to the Company of such return.
56. **Section 7. PAY DAY.** The Company shall pay the employees each week. Employees hired after August, 2010 will be required to be paid via direct deposit. The Company shall be entitled to suspend the provisions of this section on an individual pay day basis on those occasions when payroll facilities are pre-empted by Federal or State filing requirements. In such event the Company will advise the employees of the necessity for paying on Friday as far in advance as is possible and will at the first opportunity resume the payment of all workers on the day shift and night shifts on Thursday of each week.
57. **Section 8. PAY FOR HOLIDAYS NOT WORKED.** All employees shall be paid for New Year's Day, Good Friday, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, Friday following Thanksgiving, the day before Christmas, Christmas Day, New Year's Eve Day, and one personal day, which can be taken with five (5) days advance notice, providing that the Company reserves the right to approve day off and may buy back any unused days at end of the year, whether or not the holiday falls in the standard work week and provided they are eligible for holiday pay. Holiday pay shall be paid at the employee's applicable pay rate of the regularly scheduled work day before the holiday, but said calculation shall exclude any overtime premium pay.
- 57A. If an employee does not work the last scheduled workday before a holiday, the last day actually worked before the holiday will be used for the holiday pay calculation.
58. **Section 9. ELIGIBILITY FOR HOLIDAY PAY.** To be eligible for holiday pay, an employee must have been on the seniority list sixty (60) working days prior to the holiday and must have worked his full shift for the last work day prior to and the first work day following the holiday unless off due to excused absence. On the last scheduled work day prior to and the first scheduled work day following a holiday, an employee will lose his holiday pay if tardy or absent by more than thirty (30) minutes on either day. Once per calendar year this grace period is extended to sixty (60) minutes. In the case of an employee off work due to occupational disability covered by Workman's Compensation, he will be eligible to receive holiday pay for holidays listed under Section 8 above that may occur during a period of up to four (4) weeks after the date of such occupational disability. In the case of an employee off work due to non-occupational disability covered by Total Disability Benefits, he will be eligible to receive holiday pay for holidays listed under Section 8 above that may occur during a period of up to

sixteen (16) weeks after the date of such non-occupational disability. Such holiday pay will be paid to said employee in a separate check from his disability.

- 58A.** If an employee is given a disciplinary layoff which either ends on the last workday prior to the holiday, or which begins on the first work day following the holiday, such day will be considered a day of excused absence for the purpose of determining eligibility for holiday pay. Thus, the affected employee would be eligible for holiday pay if he were in compliance with the provisions of Section 9 relating to working "his full shift for the last workday prior to and the first workday following the holiday"...

If an employee is given a disciplinary layoff for a period of time which embraces a holiday, the holiday itself will be considered to be one of the days of disciplinary layoff. Thus if an employee is given a three (3) day disciplinary layoff starting on Tuesday, in circumstances where Wednesday is a scheduled holiday, the disciplinary layoff will extend for the period Tuesday, Wednesday, and Thursday.

It is the intention of the parties that disciplinary layoffs which are of a definite length, i.e., three (3) days, shall not be extended beyond their stated length due to an interpretation of the provisions of Article IX, Section 9, relating to the requirement that an employee work both the full shift the last work day prior to and the first work day following the holiday.

ARTICLE X SPECIAL PAY

- 59. Section 1. REPORT-IN-PAY.** Employees shall be guaranteed four (4) hours work or pay in lieu thereof at the applicable pay rate for each day they are required to report for work except in cases beyond the control of the Company such as fire, flood, storm, government regulations, power failure, and wind-swept waters. Employees notified by the Company to not report to work shall not be entitled to report-in pay. The Company must notify the employee prior to the start of the scheduled work shift by telephone at his last known telephone number. Employees without telephones must designate an agent who will receive telephone messages for them in order to qualify under this section. The Company has complied with the notice provision of this section when notice not to report for work has been given by telephone to the employee's home or a designated agent as provided above.
- 60. Section 2. CALL-IN-PAY.** When employees are called to report to work, they shall be guaranteed a minimum of three (3) hours' work or three (3) hours pay in lieu thereof, at the applicable pay rate, if no work is available.

61. **Section 3. GRIEVANCE COMMITTEE PAY.** Members of the Union Grievance Committee shall receive pay at their applicable pay rate for the time spent in regular grievance meetings, not to exceed eight (8) hours per month. If the President and/or the Secretary of the Union are required to attend meetings scheduled by management that would exceed the eight (8) hours per month, they shall receive pay at their applicable pay rate for that time.
62. **Section 4. NEGOTIATING COMMITTEE PAY.** Members of the Union Negotiating Committee shall receive pay at their applicable pay rate for the time spent in negotiations not to exceed eight (8) hours per day, nor more than a total of forty (40) hours. Such forty (40) hour time limit may be extended by mutual agreement of the parties.
63. **Section 5. FUNERAL PAY.** In the event of a death in an employee's immediate family (spouse, child, step-child, grandchild, mother, father, sister, brother, mother-in-law, father-in-law, son-in-law, daughter-in-law, step mother, step father, step mother-in-law, step father-in-law, step sister, or step brother) the employee will be paid for up to three (3) days absence from work. Such pay will be given only for consecutive scheduled workdays. In the event of the death of an employee's grandparents, grandparents-in-law, step grandparents, brother-in-law, sister-in-law, step daughter-in-law, or step son-in-law the employee will be paid for the day of the funeral if the funeral occurs on a scheduled work day. Funeral pay will be paid at the employee's pay rate for the number of hours normally scheduled in the employee's regular work shift. Additionally, employees who attend the funeral of any of the relatives identified in this paragraph shall be entitled to one additional unpaid day off if the funeral is over 500 miles from their home.
64. **Section 6. MILITARY FUNERAL PAY.** All employees required to participate in military funerals shall be paid for up to four (4) hours per funeral at their applicable pay rate.
65. **Section 7. VOLUNTEER FIRE DEPARTMENT AND AMBULANCE SERVICE PAY.** Realizing a community obligation, the Company agrees to pay an employee who is a member of a volunteer fire department or the Lake City Volunteer Ambulance Service his applicable pay rate for all time required in connection with his duties as a member of either of these organizations not to exceed four (4) hours per day. Each year, one (1) employee who is a member of Volunteer Fire Department will be permitted to attend the fireman's annual convention, for which he shall receive up to twenty-four (24) hours' pay at his applicable pay rate to be borne equally by the Company and the Union. Employees who are members of the Lake City Volunteer Ambulance Service will volunteer their services for hours other than their scheduled work hours. An employee will be allowed to change shifts by arrangement with the supervisor and concurrence of the employee on the other shift. In the event a shift change

cannot be accomplished, the employee may make up time lost on the same day it was lost, providing the employee's supervisor can schedule him to be gainfully employed on his job.

66. **Section 8. BLOOD DONOR PAY.** Any employee donating blood during regular working hours without remuneration shall receive his applicable pay rate not to exceed two (2) hours for each donation.
67. **Section 9. EDUCATION.** Employees who enroll in Company approved I.C.S. or other courses of study will, upon successful completion (Grade C or better) of the course, receive 100% of the tuition cost (not to include books) of the course from the Company, provided that to qualify for such reimbursement the employee must be on the Company active payroll at the time of such course completion.
68. **Section 10. STAND-BY PAY.** In the event of a power failure, employees shall receive their applicable pay rate for a period while on stand-by.

68A. Power Failure Procedures

1. **Definition** – A “power failure”, for purposes of this procedure, is defined as an interruption of electrical power to the entire plant, an entire department, or to any part of a department which results in one third or more of the department's employees being unable to perform their jobs.
2. **Initial Action** – In the event of a power failure the responsible management person(s) will contact the Union committee person(s) as soon as possible. The Union committee person(s) will be advised as to the nature of the problem, anticipated duration, and proposed course of action. The Union committee person(s) will be contacted prior to making any manning moves.
3. **Employees at Work** – If it is necessary to cancel the remainder of the shift for employees at work they will be notified individually by a supervisor. Such employees will not be entitled to report-in-pay. If other work is available employees will be offered the option of performing such work if qualified.
4. **Upcoming Shifts** – If it is necessary to cancel an upcoming work shift, every effort will be made to notify the affected employees unless it is mutually agreed by the Union committee person(s) and responsible management person(s) that there is not enough time available before the start of the shift. The Company will utilize telephone, radio, and messengers as practical to relay work cancellation messages. Employees who are not contacted and who report to work, and who express a desire to work will be allowed to work at least four hours if it is determined to be practical by the Company. In the event no alternative work for which the employee is qualified is available, the employee will be sent home and will not be entitled to report-in-pay. Consideration will be given to assigning

employees to other work for which they may be qualified before notification is given to not report to work.

5. **Power Restoration** – After power is restored all employees will be contacted and advised to return to work if there is at least four hours remaining in the employee's regular work shift. Employees notified to return after their normal starting time will be notified if they are required to return because their presence is essential to the operation. In the event all employees cannot be recalled at the same time because of the need to phase in production, employees will be called to fill their assigned jobs on their normal shifts on a most senior first basis.
 6. **Make Up Work** – Employees who have worked less than 40 hours during a week as a result of a power outage will be entitled to make up time lost by being given the first opportunity to work overtime in their job classification, when qualified, without consideration to overtime equalization or sub-grouping job rights. This first right to overtime only applies during the week in which the power outage occurred.
 7. **Notification** – Employees who do not provide the company with a means by which they can be contacted (phone or message) will not be entitled to special provisions of this procedure such as alternate job assignment or make up work.
-
69. **Section 11. SHIFT DIFFERENTIAL PAY.** When two (2) or more shifts are used, employees assigned to other than the first shift (day shift) shall receive a shift differential premium in the amounts of thirty-five cents (\$.35) per hour for the second shift and forty cents (\$.40) per hour for third shift.
 70. **Section 12. CONTINUOUS OPERATION PREMIUM PAY.** In the event the Company establishes a seven (7) day operation, employees scheduled to work other than Monday through Friday will receive an additional differential premium in the amounts of one dollar (\$1.00) per hour for Saturday and two dollars (\$2.00) per hour for Sunday for hours worked.
 71. **Section 13. INJURY TREATMENT PAY.** Any employee injured on the job shall be paid his applicable pay rate for time spent in receiving treatment for the injury, and if sent home by the doctor shall be paid for the remainder of his scheduled shift on the day of the injury at his applicable pay rate.
 - 71A. If an employee requires additional treatment of the injury scheduled during work hours by the treating doctor. Federal-Mogul's designated workers' compensation third party administrator will properly compensate employees for time missed because of the injury.
 72. **Section 14. JURY DUTY PAY.** Regular employees who are required to serve as jurors, without regard to the political subdivision which imposes the obligation, shall receive from the Company the difference between the payment received for

such jury duty and their applicable pay rate for a period not to exceed six (6) weeks in any contract year, a maximum of eight (8) hours per day or forty (40) hours per week. Employees who are not required to report for jury duty on any given day must report for work on their regularly scheduled shift. The Company shall be entitled to require proof of earnings received for such jury duty in determining the amount due to the employee from the Company under the terms of this section.

73. Section 15. TRANSFER TO FACILITATE PRODUCTION PAY. When the Company transfers an employee from his regular job to facilitate production, the employee will receive the rate of the job from which transferred or the rate of the job to which transferred whichever is higher. If an employee is transferred from his regular job because of breakdown, lack of work, etc., the employee will receive the rate of the job to which transferred.

73A. Section 16. INTER-DIVISIONAL TEMPORARY TRANSFERS. At various times the Company may have a need to transfer one or more employees temporarily across divisional lines to meet operating or production requirements. When these occasions arise, the Company will ask for volunteers, beginning with the most senior available employee in the division from which the temporary transfer is to be made, and proceeding in seniority order to the least senior available employee, until sufficient volunteers are obtained. If there are not enough volunteers to meet the Company's needs, the Company may assign employees as needed, beginning with the least senior available employee in the division from which the temporary transfer is to be made and proceeding in reverse seniority order to the most senior available employee. This procedure can only be used if the employees in the division to which the temporary transfer is to be made have been offered the work first.

ARTICLE XI HEALTH, SAFETY AND PENSION

74. Section 1. OBJECTIVE AND OBLIGATIONS OF PARTIES. The Company and the Union shall cooperate in the continuing objective to eliminate accidents and health hazards. The Company shall continue to make provisions for the safety and health of its employees at the plant during the hours of their employment. In addition, the Company agrees to pay for a chest X-ray for employees assigned to the Iron Foundry once every year, Aluminum Foundry and TP Liners once every three (3) years, and Maintenance personnel once every year.

74A. LIGHT DUTY PROVISIONS. The Company and the Union agree that it is in our mutual best interest to implement a Light Duty Program in order to better accommodate the needs of our recovering temporarily disabled employees and

to maintain the benefits of a Light Duty Program during periods of both plant layoff and full employment.

- 74B. Any placement in a light duty job will be within the limitations specified or as written by the treating doctor.
- 74C. The employee on light duty will receive his applicable pay rate.
- 74D. Light Duty assignments, if available, will be provided in accordance with the employees seniority and individual restrictions.
- 75. **Section 2. SAFETY COMMITTEE.** There shall be an active Joint Safety Committee, containing both Company personnel and six (6) Union members, one union member shall be selected from each division within the plant. Such members shall serve alternately for a period of one (1) year.
- 76. **Section 3. SAFETY COMMITTEE MEETINGS.** The Safety Committee shall hold monthly meetings at a time determined by the committee. The function of the Safety Committee shall be to advise with plant management concerning safety matters. In the discharge of this function, the Safety Committee shall consider existing practices and rules relating to safety, formulate suggested changes in existing practices and rules, and recommend adoption of new practices and rules. Advice of the Safety Committee, together with supporting suggestions, recommendations, and reasons shall be submitted to the Lake City Plant Human Resources, with the Company's responsibility to provide for the safety of its employees during the hours of their employment and the mutual objectives set forth above. Employees shall be paid their average hourly rate (defined as all pay minus overtime premium divided by all hours worked) based on the preceding four (4) weeks for time spent in safety committee meetings.
- 76A. The Safety Committee shall meet once a month to review the safety operating problems and to conduct the monthly inspection with a view to achieving maximum understanding as to how the Company and the Union can most effectively cooperate in achieving the objectives set forth.
- 77. **Section 4. SAFETY EQUIPMENT.** The Company and the Union agree that all employees shall wear proper safety equipment and will cooperate in the enforcement of the wearing of safety equipment where required.
- 78. **Section 5. EQUIPMENT SAFETY.** The Company agrees that all machinery, equipment, and facilities the Company furnishes shall meet with all required legal standards of safety and sanitation.
- 79. **Section 6. SUBSTANCES.** The Company agrees to inform and identify to the Safety Committee, upon request, the names and nature of any generic

substance or compound used in the plant. The Company agrees to follow any applicable state or federal laws.

79A. Section 6A. ERGONOMICS COMMITTEE. An ergonomics committee shall be established for the purpose of contributing to the reduction of work-related injuries by assisting with evaluation of the relationship between employees and their tools, machines, and equipment. The ergonomics committee shall consist of bargaining unit members (one from each division) and three (3) members of management (one of which will be the human resources manager). Additional employees may be added to the membership as deemed necessary by the committee. The ergonomics committee shall meet monthly.

80. Section 7. GROUP INSURANCE BENEFITS. From August 2, 2010, and for the balance of the time that this agreement is in effect, the Company agrees to contract with a third party administrator to deliver Group Insurance Benefits, including healthcare, dental, and Rx drug benefits. Effective September 1, 2010, Medical, Rx Drug and Dental benefit coverage will be provided under the 2009 PMP Medical plan, 2009 PMP Rx Drug Plan, and 2009 Preferred Dental Plan, as outlined in the Summary Plan Descriptions. These benefit coverage's will be effective the 91st day of full time employment.

Contributions towards the above coverage's will be at the following weekly rates effective August 2, 2010 at the following rates:

	Year 1	Year 2	Year 3	Year 4
Effective Date	8-2-2010	8-1-2011	7-30-2012	7-29-2013
Single	13.38	*	*	*
Employee +1	26.77	*	*	*
Family	37.38	*	*	*

- Premiums will be deducted on a weekly basis. *For years two, three, and four the weekly premium would be calculated by taking the total monthly premium multiplied by 10% multiplied by 12 (months) divided by 52 (weeks).
- **OPT-OUT Benefit:** Employees will have the option at the beginning of each year to opt-out of the medical plan, if they are able to produce documentation that they are covered under another medical plan. Employees who opt-out will be compensated based on the following (amounts are paid in equal increments on each paycheck throughout the year):
 - Single: \$450 annually
 - Family: \$700 annually

If an employee elects to opt-out at the beginning of the calendar year, they will be able to rejoin the medical plan if they experience a life-changing event during the calendar year (i.e. birth of a child, marriage, divorce, etc.)

80A. The Company reserves the right to place/carry the same or better group insurance program with a carrier/administrator selected by the Company.

80B. The Company agrees to continue to offer a Section 125-Flexible Spending Plan subject to approval of and under guidelines published by, the Internal Revenue Service.

81. Section 8. REST PERIOD. There shall be provided for all employees two (2) rest periods of ten (10) minutes each during each work day; one (1) approximately midway between the beginning of the employee's shift and the employee's lunch period and the other approximately midway between the employee's lunch period and the end of the employee's shift. There shall be provided for all employees working on three-shift operations one (1) rest period of ten (10) minutes during each eight (8) hour shift. In addition, employees working on three (3) shift operations shall receive one (1) rest period of fifteen (15) minutes approximately midway between the start of the employee's shift and the employee's quitting time.

82. Section 9. PENSION PLAN. During the period covered by this Collective Bargaining Agreement (the "Agreement"), the Bargaining Unit Employees have the opportunity to participate, at their discretion, in the Federal-Mogul Corporation Employee Investment Program (the "401(k) Investment Program"). The design, operation, administration, and investments within the 401(k) Investment Program are not to be subject to bargaining nor to the grievance and arbitration provisions of the Agreement. Nothing agreed to by the Company and the Union will restrict an employee's rights under ERISA, the federal law that governs the 401(k) Investment Program.

Only the following 401(k) Investment Program parameters will be subject to the collective bargaining agreement. During the period covered by this Agreement, the following provisions will be in effect for the 401(k) Investment Program:

Eligibility:

Employee becomes eligible to contribute to the 401(k) Investment Program after ninety (90) calendar days of employment.

Vesting:

An employee becomes vested, or achieves ownership of, the Company Matching Contributions and Special Pension Contributions, according to the following schedule:

Years of Service

% Vested

Less than 2 years	0%
2 but less than 3 years	25%
3 but less than 4 years	50%
4 but less than 5 years	75%
5 or more years	100%

Company Match:

The Company matches 20% of the first 6% contributed by the employee

Special Pension Contribution:

For each hour worked, the Company will contribute, as a Special Pension Contribution, the amount of \$0.30 per hour worked. In addition, for those hired on or before January 1, 1988, an additional amount will be contributed as follows:

<u>Age on 10-2-87</u>	<u>Rate per hour worked</u>
64 and over	0.50
63	0.47
62	0.44
61	0.41
60	0.39
55 to 59	0.27
50 to 54	0.18
45 to 49	0.12
40 to 44	0.08
35 to 39	0.05
30 to 34	0.03
25 to 29	0.01

Vesting:

You become vested, or have ownership of, the Company Match and Special Pension Contribution according to the following schedule:

<u>Years of Service</u>	<u>% Vested</u>
Less than 2 years	0%
2	25%
3	50%
4	75%
5 or more	100%

ARTICLE XII WORK STANDARD PROGRAM

- 83. Section 1. WORK STANDARD PROGRAM COVERAGE.** Work standard program coverage may be established at the discretion of the Company for other job classifications and/or operations where such is feasible and practical.
- 84. Section 2. WORK STANDARD PROGRAM STANDARDS.**

- 84A.** All work standard program standards will be established upon the operations and methods of this plant.
- 84B.** All work standard program standards in effect at the time of the signing of this Agreement shall continue in effect subject to the change only in accordance with subsequent paragraphs of this section.
- 84C.** All work standard program standards in effect at the signing of this Agreement and all standards subsequently established shall continue in effect except;
1. Where a change (or an accumulation of small changes) has occurred in product design, materials processed, engineering specifications, quality standards, equipment, manufacturing processes, methods of production, or tools, either in the product or process of making it;
 2. Where a proven error has occurred either in the mathematical or clerical calculation or in the application of the work standard;
 3. Where a standard is adjusted as a result of a grievance settlement.
- 84D.** All work standard program standards changed in accordance with paragraph (1) above will be changed only to the extent required by the change made.
- 85. Section 4. STANDARD HOUR PLANS (INCENTIVE AND MEASURED DAY WORK).**
- 85A.** All standard hour standards will be determined through the use of time study following generally accepted industrial engineering techniques and practices.
- 85B.** All standard hour standards will include adequate allowance time. Formalized non-work allowances for break periods, wash-up, and clothes changing are to be considered as part of the allowance time. The textbook "MOTION AND TIME STUDY DESIGN AND MEASUREMENT OF WORK" by Ralph M. Barnes will be the guidelines for defining generally accepted industrial engineering techniques and practices.
- 86. Section 3. UNION ACCESSIBILITY TO DATA.** On all job classifications covered by work standards, the Company will maintain in the time study office detailed job descriptions and work operation standards data. They will be furnished to the Union within a reasonable time upon specific request by designated Union officials. Upon request by the Union not more often than every six (6) months the Company will provide by hard copy or computer disc a listing of all active work standards.
- 87. Section 4. WORK STANDARD CHALLENGE.** The fairness of any new or revised work standard may be challenged by the Union after a conscientious trial period of five (5) working days on such operation. Such challenge by the Union

shall be presented by the Union within seven (7) calendar days after the five (5) day trial period through the grievance procedure, up to and including arbitration. Should such challenge be submitted to arbitration, the Federal Mediation and Conciliation Service shall submit to the parties a panel of arbitrators who are experienced in arbitrating work standards.

ARTICLE XIII VACATIONS

- 88. Section 1. VACATION PAY.** The vacation year shall be established based on an employee's anniversary date for the purpose of determining eligibility and computation of pay. Each employee in the bargaining unit shall receive vacation pay and time off on the following basis subject, however, to the provision of Paragraph 92, Section 6 (six) hereof concerning eligibility.

Continuous Service as of Anniversary Date	Vacation Days	Vacation Pay
More than 1 yr. BLT 2 yrs.	5	40 Hrs.
More than 2 yrs BLT 7 yrs.	10	80 Hrs.
More than 7 yrs. BLT 15 yrs.	15	120 Hrs.
More than 15 yrs. BLT 30 yrs.	20	160 Hrs.
More than 30 yrs.	25	200 Hrs.

- 88A. Section 2. VACATION SUPPLEMENT.** A vacation supplement will be paid to all full time employees on the active payroll as of December 1 based on years of service calculated as of the employee's anniversary date. Employees with one (1) year but less than ten (10) years will receive \$7/year of service; employees with ten (10) years but less than twenty (20) years will receive \$8/year of service, employees with twenty (20) years but less than twenty-five (25) years will receive \$9/year of service and employees with twenty-five (25) and more years will receive \$10/year of service. In the third year each category will increase by one dollar.

- 89. Section 3. VACATION PAY COMPUTED.** Said vacations shall be computed as of each employee's anniversary date of each year and shall be paid for at the average hourly rate of the employee (average defined as earnings for hours worked divided by hours worked during the twenty-one weeks preceding the week in which the anniversary date occurs). Full vacation pay shall be paid at the beginning of the vacation period. Employees may elect to be paid their vacation

pay at the time they take their vacation but in no less than one half-day increments.

90. Section 4. WORK DURING VACATION PERIOD. Should an employee be deemed necessary to the Company for work during vacation or should he choose to work instead of taking his vacation and this is agreeable to the Company, he will be given vacation pay over and above pay actually earned during this period and will be allowed to have his vacation time off rescheduled.

91. Section 5. VACATION ELIGIBILITY. All employees covered by this Agreement shall be eligible for the following amounts of vacation based upon actual hours worked in accordance with the following table:

Hours Worked During Vacation Year	Amount of Vacation Pay & Days
Under 700	None
700 to 999	$\frac{1}{4}$
1000 to 1299	$\frac{1}{2}$
1300 to 1599	$\frac{3}{4}$
1600 or more	Full

91A. The vacation year extends from the employee's anniversary date to the anniversary date of the next calendar year. Amounts of vacation are subject to the provisions of Paragraph 88, Section 1, "Vacation Pay".

91B. Actual hours worked during the vacation year will be used to determine vacation eligibility. In addition, the following will be credited as actual hours worked:

1. Up to four (4) months (693) hours for lost time due to accident or illness covered by Workers' Compensation.
2. An employee off due to accident or illness with eighteen (18) or more years' service who has worked less than 1000 hours shall still receive one-half ($\frac{1}{2}$) of his vacation pay.
3. Employees who are paid by the Company for time not worked covered by the provisions of Article X, Special Pay, Section 3. Grievance Committee Pay; Section 4. Negotiating Committee Pay; Section 5. Funeral Pay; Section 6. Military Funeral Pay; Section 7. Volunteer Fire Department and Ambulance Service Pay; Section 8. Blood Donor Pay; Section 13. Injury Treatment Pay; Section 14. Jury Duty Pay and time spent on Union business if paid by the Company or the Union will be credited with the equivalent hours of work missed toward the computation of vacation pay eligibility.

- 4 In the event the company schedules a 32 hour work week, all affected employees will be credited forty (40) hours toward the computation of overtime and vacation eligibility each week of scheduled occurrence.

92. **Section 6. VACATIONS FOR EMPLOYEES RETURNING FROM MILITARY SERVICE.** An employee returning from military service who did not receive vacation before such leave shall receive his vacation in accordance with Section 1 of this article. Military service to be counted as seniority.

ARTICLE XIV LABOR GRADE STRUCTURE

93. **Section 1. REVIEW OF LABOR GRADE STRUCTURE.** The Company will provide the Union with a copy of all data used to place current job classifications in existing labor grades.
94. **Section 2. CHANGE IN JOB CLASSIFICATION CONTENT.** During the period of this Agreement should there be a permanent change in the content of a job classification of such weight as to affect the current placement (either up or down) of such job classification in the plant labor grade structure, the evaluation of such job classification will be checked by the Company and any necessary labor grade adjustments will be made in accordance with the methods and procedures used to establish the plant labor grade structure.
- 94A. The Union will have the right to grieve through the regular grievance procedure including arbitration any change made or not made in the plant labor grade structure as a result of a permanent change made in the content of a job classification.

EXHIBIT A
VOLUNTARY AUTHORIZATION FOR DEDUCTION
OF UNION MEMBERSHIP DUES

To: Federal-Mogul Lake City
 520 N. 8th St.
 Lake City, MN 55041

I, _____, hereby assign to Lodge 650 such monthly amount as the Secretary-Treasurer of the Union may hereinafter certify to be due to it as my membership dues in said Union, established in accord with its constitution and by-laws and authorize you to deduct such amount from my wages earned or to be earned by me as your employee. Such membership dues shall include my initiation fee, and I authorize you to deduct my initiation fee as part of the first month's deduction of membership dues in the amount as certified by the Secretary-Treasurer of the Union in accord with its constitution and by-laws. I authorize you to make such monthly deductions from my earnings, if any, payable in the first full pay period of each month and to remit the same to the Secretary-Treasurer of Lodge 650.

This assignment and authorization shall be irrevocable for the period of the Agreement or until the anniversary date of the current collective bargaining agreement, whichever occurs first, and shall automatically renew itself for successive yearly or applicable contract periods thereafter whichever occurs first, or until I give written notice to you by individual certified mail, with a copy being sent to the Secretary-Treasurer of Lodge 650 by individual certified mail, within fifteen (15) days of any renewal date of this authorization and assignment of my desires to revoke the same.

Signature
Address
Clock No.
Date

**EXHIBIT B
SHOP RULES**

In the best interest of all concerned, and for the general welfare of all employees, these rules and regulations are hereby posted and made public for your information and guidance. They will be adhered to strictly.

RULES	FIRST OFFENSE	SECOND OFFENSE	THIRD OFFENSE	FOURTH OFFENSE	FIFTH OFFENSE
1. Falsifying personnel records or Company records unless management find extenuating circumstances.	1 Day Off or Discharge	Discharge			
2. Knowingly punching the time card of another employee; having one's time card punched by another employee; or unauthorized altering of a time card	Discharge				
3. Contributing to unsanitary conditions or poor housekeeping.	1 st Written Warning	1 Day Off	Discharge		
4. Unauthorized possession of firearms or explosives on premises.	Discharge				
5. Operating, using or possessing machines, tools, or equipment to which the employee has not been assigned, or performing other than assigned work.	1 st Written Warning	1 Day Off	Discharge		
6. Use or possession of another employee's tools without the employee's consent.	1 Day Off	Discharge			

RULES	FIRST OFFENSE	SECOND OFFENSE	THIRD OFFENSE	FOURTH OFFENSE	FIFTH OFFENSE
7. Causing material or parts to be scrapped due to carelessness.	1 st Written Warning	1 Day Off	Discharge		
8. Mistake due to carelessness.	1 st Written Warning	2 nd Written Warning	1 Day Off	Discharge	
9. Engaging in horseplay, running, scuffling, or throwing things.	1 st Written Warning	1 Day Off	Discharge		
10. Wasting time, loitering or leaving place of work during hours without permission.	1 st Written Warning	1 Day Off	Discharge		
11. Threatening, intimidating, coercing, or interfering with fellow employees on the premises.	1 st Written Warning	1 Day Off	Discharge		
12. Vending, soliciting, or collecting contributions for any purpose whatsoever at any time on the premises unless authorized by management.	1 st Written Warning	1 Day Off	Discharge		
13. Distributing written or printed matter of any description on Company premises unless approved by the Human Resources department.	1 Day Off	Discharge			
14. Posting or removal of any matter on bulletin boards or Company property at any time unless specifically authorized by the Human Resources department.	1 st Written Warning	1 Day Off	Discharge		

RULES	FIRST OFFENSE	SECOND OFFENSE	THIRD OFFENSE	FOURTH OFFENSE	FIFTH OFFENSE
15. Theft or removal from the premises without proper authorization of any Company property or property of the government or of any employee.	Discharge				
16. Misusing, destroying or damaging any Company property or property of any employee. (Except property damage occurring on Company parking lots through automobile accident, provided occurrence is reported.)	Discharge				
17. Deliberately restricting output.	1 st Written Warning	1 Day Off	Discharge		
18. Making false, vicious, or malicious statements concerning any employee, the Company or its product.	1 st Written Warning	1 Day Off	Discharge		
19. Provoking or instigating a fight or fighting during working hours or on Company premises.	1 Day Off or Discharge	Discharge			
20. Use, possession, sale or transfer of alcohol or illegal drugs on Company premises or during working time (excluding possession of alcohol in personal vehicles on Company property intended for recreational use off the premises.	Discharge				

RULES	FIRST OFFENSE	SECOND OFFENSE	THIRD OFFENSE	FOURTH OFFENSE	FIFTH OFFENSE
21. Reporting to work under the influence of alcohol or abusing prescribed drugs	1 st Written Warning and 1 Day Off	2 nd Written Warning and 1 Day Off	Discharge		
22. Engaging in sabotage or espionage.	Discharge				
23. Violating a safety rule or safety practice.	1 st Written Warning	1 Day Off	Discharge		
24. Immoral conduct or indecency	Discharge				
25. Interfering or refusing to cooperate with safety committee representatives in the performance of their duties.	1 st Written Warning	1 Day Off	Discharge		
26. Sleeping on job during working hours.	1 Day Off	Discharge			
27. Entering restricted areas without special permission.	1 st Written Warning	1 Day Off	Discharge		
28. Leaving plant during work shift without permission.	1 st Written Warning	1 Day Off	Discharge		
29. Insubordination.	1 Day Off	Discharge			
30. Failure to observe parking and traffic regulations on premises.	1 st Written Warning	1 Day Off	Discharge		
31. Leaving work area without permission before final whistle blows indicating end of shift.	1 st Written Warning	1 Day Off	Discharge		
32. Failure to wear safety glasses at all times while in the shop or while engaged in hazardous work on the premises.	1 st Written Warning	1 Day Off	Discharge		

RULES	FIRST OFFENSE	SECOND OFFENSE	THIRD OFFENSE	FOURTH OFFENSE	FIFTH OFFENSE
33. Any infraction not covered above.	1 st Written Warning	1 Day Off	Discharge		
34. Failure to notify the Company of any absence for any reason prior to the start of the shift unless beyond the control of the employee.	1 st Written Warning	2 nd Written Warning	1 Day Off	Discharge	
35. Reporting to work under the influence of illegal drugs.	1 Day Off	Discharge			
36. Failure to report an injury.	1 st Written Warning	1 Day Off	Discharge		
37. Smoking in a non-smoking area.	1 st Written Warning	2 nd Written Warning	3 rd Written Warning	1 Day Off	Discharge
38. Failure to follow established quality procedures.	1 st Written Warning	2 nd Written Warning	1 Day Off	Discharge	

A DISCIPLINARY PENALTY ISSUED UNDER ANY OF THE ABOVE LISTED OFFENSES WILL BE REMOVED AFTER EIGHTEEN (18) MONTHS FROM THE DATE OF ISSUANCE. UPON REMOVAL THE NUMBER OF ACTIVE OFFENSES, IF ANY, WILL BE REDUCED BY ONE (1)

EXHIBIT C
LAKE CITY PLANT WAGE STRUCTURE
AUGUST 2, 2010 TO AUGUST 1, 2014

CLASSIFICATION	DEPT.	8/30/2010	8/1/2011	7/30/2012	7/29/2013
Aluminum Foundry Leadperson	ALF	\$18.94	\$18.94	\$19.21	\$19.49
Aluminum Molder	ALF	\$19.85	\$19.85	\$20.13	\$20.43
Gate Removal	ALF	\$19.85	\$19.85	\$20.13	\$20.43
Set-up & Maintenance	ALF	\$17.50	\$17.50	\$17.75	\$18.01
Auto Pour	CIF	\$17.10	\$17.20	\$17.44	\$17.70
Casting Prep Operator	CIF	\$18.79	\$18.89	\$19.15	\$19.44
Centrifugal Casting Machine Operator	CIF	\$19.85	\$19.85	\$20.13	\$20.43
Crane Operators	CIF	\$16.72	\$16.82	\$17.06	\$17.32
Foundry Lead Person	CIF	\$19.04	\$19.14	\$19.41	\$19.70
KW Molding Line Operator	CIF	\$18.85	\$18.95	\$19.22	\$19.51
Melting Dept. Leadperson	CIF	\$19.04	\$19.14	\$19.41	\$19.70
Metal Transfer/ Pour Crew	CIF	\$16.88	\$16.98	\$17.22	\$17.48
Pattern Rigger	CIF	\$17.00	\$17.00	\$17.24	\$17.50
Utility CIF Operator	CIF	\$18.79	\$18.89	\$19.15	\$19.44
Furnace Operator	CIF/ALF	\$17.60	\$17.70	\$17.95	\$18.22
FTL Process Facilitator	FTL	\$19.85	\$19.85	\$20.13	\$20.43
FTL Process Operator	FTL	\$19.85	\$19.85	\$20.13	\$20.43
FTL Team Leader	FTL	\$20.79	\$20.79	\$21.08	\$21.40
Coolant Technician	MAINT	\$17.00	\$17.00	\$17.24	\$17.50
Electrician Apprentice	MAINT				
Electrician Journeyman	MAINT	\$24.62	\$24.62	\$24.96	\$25.34
Electrician Master					
(+ \$161.57 / week)	MAINT	\$25.75	\$25.75	\$26.11	\$26.50
Electrician State Licensed					
Journeyman	MAINT	\$25.11	\$25.11	\$25.46	\$25.84
Journeyman Electrician	MAINT	\$25.11	\$25.11	\$25.46	\$25.84
Lubricator	MAINT	\$17.00	\$17.00	\$17.24	\$17.50
Maintenance Apprentice	MAINT				
Maintenance Crib Attendant	MAINT	\$17.50	\$17.50	\$17.75	\$18.01
Maintenance Journeyman	MAINT	\$21.87	\$21.87	\$22.18	\$22.51
Maintenance Leadperson	MAINT	\$22.80	\$22.80	\$23.12	\$23.47
Tool Crib Leadperson	MAINT	\$17.75	\$17.75	\$18.00	\$18.27
Cell Machinist	MS	\$19.85	\$19.85	\$20.13	\$20.43
Leadperson Class "A"	MS	\$18.94	\$18.94	\$19.21	\$19.49
Leadperson Set-up	MS	\$20.79	\$20.79	\$21.08	\$21.40
Team Cell Machinist	MS	\$19.85	\$19.85	\$20.13	\$20.43
Tool Maker	MS	\$21.87	\$21.87	\$22.18	\$22.51
CLASSIFICATION	DEPT.	8/30/2010	8/1/2011	7/30/2012	7/29/2013

EXHIBIT C
LAKE CITY PLANT WAGE STRUCTURE
AUGUST 2, 2010 TO AUGUST 1, 2014

Tool Maker Leadperson	MS	\$22.80	\$22.80	\$23.12	\$23.47
Utility Machinist	MS	\$19.85	\$19.85	\$20.13	\$20.43
Wellworthy Operator	MS	\$19.85	\$19.85	\$20.13	\$20.43
Fork Truck Operator	PLANT	\$16.50	\$16.50	\$16.73	\$16.98
Janitor-Laborer	PLANT	\$16.50	\$16.50	\$16.73	\$16.98
Gage Room Technician Apprentice	QS				
Gage Room Technician Journeyman	QS	\$19.85	\$19.85	\$20.13	\$20.43
Leadperson Gage Room	QS	\$19.97	\$19.97	\$20.25	\$20.55
Machining/Foundry Inspector	QS	\$17.00	\$17.00	\$17.24	\$17.50
Met Lab Technician Apprentice	QS				
Met Lab Technician Assistant	QS	\$17.00	\$17.00	\$17.24	\$17.50
Met Lab Technician Journeyman	QS	\$19.97	\$19.97	\$20.25	\$20.55
Process Inspector Leadperson	QS	\$17.50	\$17.50	\$17.75	\$18.01
Receiving Clerk/ Incoming Inspection	QS	\$17.00	\$17.00	\$17.24	\$17.50
Shipping Clerk	QS	\$17.00	\$17.00	\$17.24	\$17.50
Shipping Dept. Leadperson	QS	\$17.50	\$17.50	\$17.75	\$18.01
SPC Technician	QS	\$19.85	\$19.85	\$20.13	\$20.43

Pay Rates will be as above unless controlled by apprenticeship committee or as set forth in "Section 3, Starting Rate."

EXHIBIT D
REVISED LETTER OF INTENT: AUGUST 2, 2010
FTL Bidding and Displacement Rules

1. All current FTL employees at time of ratification will be allowed to bid out of FTL on a one-time basis. They will retain this right until either they bid out or they retire.
2. If a current FTL employee at time of ratification bid's out of FTL and elects to return they will not be allowed to bid out again.
3. In the event of a layoff in FTL, the company must layoff employees in inverse order of seniority within FTL. The displaced employee will be offered work elsewhere in the plant only if there is a position open, but will not be required to accept the job if they elect to be laid off.

Clarifications – Employees laid off out of FTL will have the option to utilize 34C and will have the option of utilizing 34D.

4. If an employee bids into FTL after the date of ratification or is hired directly into FTL they will not be allowed to bid out. FTL will be their permanent place of employment.
5. If an employee elects to accept a job in FTL rather than being laid off due to job elimination, the employee will retain the right to bid on openings elsewhere in the plant.
6. If an opening occurs in FTL the Company must first post for this opening prior to hiring off the street. When an employee accepts a bid in FTL he shall be placed on probation on this job for 90 days, every 30 days there will be an evaluation meeting with the employee regarding their progress at which time they will be notified of their deficiencies and given an opportunity to improve, they can be disqualified at the sole discretion of FTL. In the event of disqualification the employee will be displaced to his prior division provided he has the seniority to do so.
7. If a layoff occurs in the plant the Company must layoff in inverse order of seniority excluding FTL employees. The displaced employee will be offered work in FTL only if there is a position open, but will not be required to accept the job if they elect to be laid off. The employee shall be placed on probation on this job for 90 days at the end of which time they can be disqualified at the sole discretion of FTL. In the event of disqualification the employee will be displaced to his prior division provided he has the seniority to do so.

Clarifications –Employees laid off out of FM will not have the option to utilize 34C to displace FTL employees.

8. If an FTL employee is medically disqualified to work in FTL they will be slotted back into the FM Lake City work force provided there is work available that they are medically qualified to perform. This applies only to employees on the plant roster at the time of contract ratification.

EXHIBIT E: WEEKEND SHIFT
Revised: August 2, 2010

1. **Work Schedule:**
Friday 3:00 P.M. - Saturday 3:00 A.M.
Saturday 12:00 P.M. - Sunday 12:00 A.M.
Sunday 11:00 A.M. - Sunday 11:00 P.M.
Hours may be modified with mutual consent of the union and the company.
2. **Pay Structure:**
Pay for 40 hours if all 36 scheduled hours are worked (hours not worked but paid by contract considered as hours worked). Pay for extra 4 hours at the actual average for 36 hours.
3. **Premium Pay:**
\$1.00/hour on Saturday and \$2.00/hour on Sunday.
4. **Overtime:**
Overtime paid for hours worked over 36. Monday through Thursday overtime may be offered on a voluntary basis. The first day worked in the week after the scheduled 36 hours would be at time and one-half, the second, third and fourth day worked would be at double time.
5. **Job Descriptions:**
Job descriptions will be the same as the current Process Operator for FTL Job descriptions for Trades employees would be the same as the normal job description for that particular trade.
6. **Job Bidding:**
A division being staffed on the weekend shift will not be staffed higher than 5% (round to next full body) of the division headcount operating on the normal Monday thru Friday. Bidding rights and procedures would be the same as dictated by current policies. Employees will not be forced onto the Weekend shift.—Employees who bid into the Weekend shift would be able to disqualify themselves during the first 90 days. Employees who are disqualified by the company or by themselves would be allowed to return to the Monday - Friday shifts and would be assigned to their previous job if a vacancy exists. If no vacancy exists in the prior job the employee would be assigned to available work. (Probationary employees would be pulled to create a vacancy.) The 18 month and 9 month bidding restrictions could be waived by mutual agreement between the union and company.
7. **Layoffs:**
Layoffs would be according to contract utilizing the same process applied to Maintenance. With the exception that weekday shift employees would be

protected from being forced to the weekend shift.

8. **Vacation:**
To be taken on an hour for hour basis (one 12 hour day off would require use of 12 hours of vacation). Vacation has to be taken in either half shift or full shift increments.
9. **Vacation Pay:** The vacation pay calculation would use 40 hours for every 36 hours worked. Otherwise, actual hours worked would be used for the vacation pay calculation.
10. **Holidays:**
Holidays falling on a 4th shift or 5th shift workday will result in the day off and 12 hours of holiday pay. Holidays which fall on a non scheduled working day would not be paid at the time of the holiday but would result in employees being able to schedule eight hours off with pay within twelve months of the date of the holiday.
11. **Funeral Pay:**
Funeral pay will be paid for the number of hours (12) scheduled.
12. **Probation:**
Probationary employees would be credited with 5 days of work for working the 36-hour weekend.
13. **Breaks:**
Two 10 minute breaks and one 20 minute break.
14. **Religious Accommodations:**
Employees who bid or hire into the Weekend shift will do so voluntarily and, therefore, will be aware that they will not receive special time off or special work schedules for religious purposes.
15. **Pay Period:**
Weekend shift employees will be paid each Thursday.
16. **Miscellaneous:**

This agreement does not override Section 50D of the labor agreement or any way reduce the company's right to implement a continuous operations schedule different from the one included in this weekend shift plan.

**FOR FEDERAL-MOGUL LAKE CITY
LAKE CITY, MINNESOTA**

/s/Michelle Woodbury, PTE HR Manager

/s/Roger Zipperer, Plant Manager

/s/Chris Lehman, Human Resources Manager

/s/Todd Romanoski, FTL Product Line Manager

/s/Mike Noll, Foundries and Maintenance Manager

/s/Brad Schulz, Machining Manager

**FOR LOCAL LODGE NO. 650 OF THE INTERNATIONAL BROTHERHOOD OF
BOILERMAKERS, IRON SHIP BUILDERS, BLACKSMITHS, FORGERS AND
HELPERS**

/s/Roy Demge, President

/s/Dan Luhmann, Negotiating Committee

/s/Bryan Huffman, Negotiating Committee

/s/Shawn Bauer, Negotiating Committee

/s/Tim Moyer, Negotiating Committee

/s/Jeff Moyer, Negotiating Committee

/s/Newt High, Negotiating Committee

/s/Fran Richardson, Negotiating Committee

FEDERAL-MOGUL
LAKE CITY, MINNESOTA

FOR THE LOCAL LODGE NO. 650 OF THE
INTERNATIONAL BROTHERHOOD OF
BOILERMAKERS, IRON SHIP BUILDERS,
BLACKSMITHS, FORGERS AND HELPERS

PTE HR Manager

President

Plant Manager

Human Resources Manager

FTL Product Line Manager

Foundries and Maintenance Manager

Machining Manager
